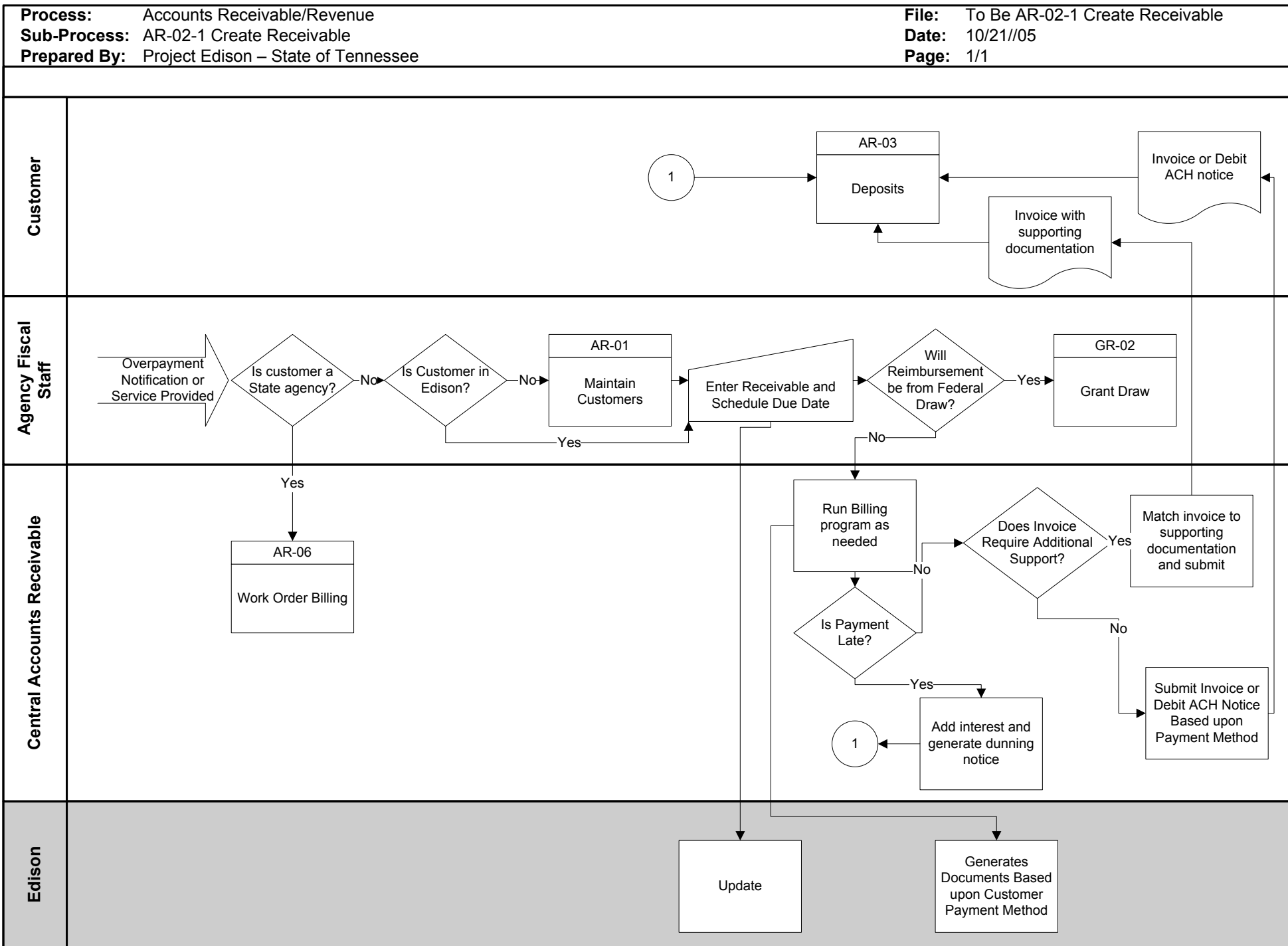


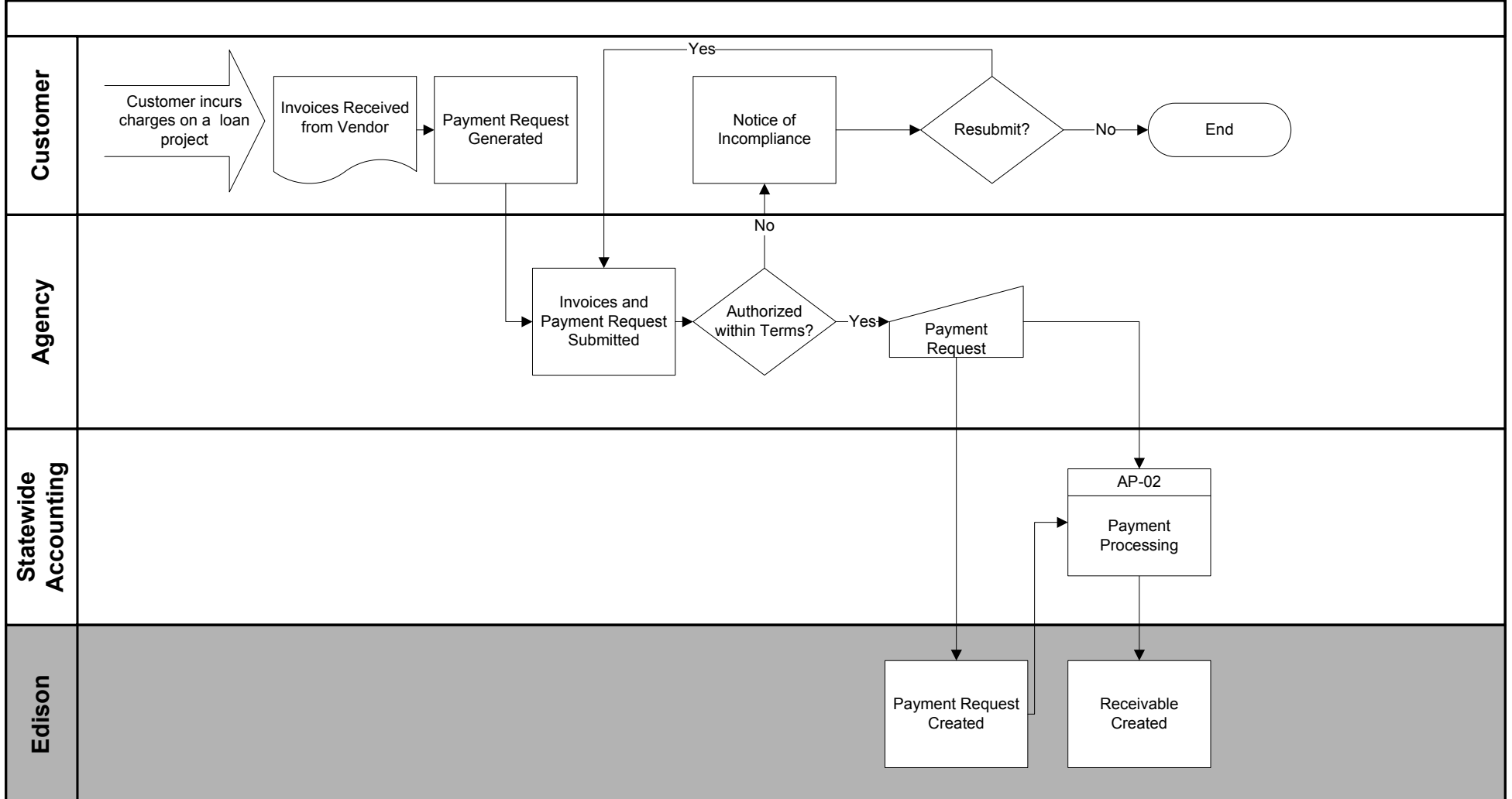
Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Customer Maintenance		Sub-Process Identifier: AR-01	
Sub-Process Purpose and Objectives: To add or maintain customers for Receivables.			
<p>Sub-Process Description: The State will maintain a file of customers for Accounts Receivable/Revenue. Responsibility for maintaining the customer file is shared between the Division of Accounts (Accounts) and the agencies. Agencies have the ability to change and/or add customers to the system. Division of Accounts maintains all ACH data within the system. The need for a new customer may arise from a loan or insurance transaction to an organization or individual not previously added to the customer database.</p> <p>The process for maintaining all types of customers is the same. The agency may change or add a record directly into the Edison system. If the Customer added is an ACH customer, or if an existing ACH customer's bank or routing information is changed, then the Edison system should will automatically send a Pre-Note to the proper financial institution.</p>			
Sub-Process Trigger(s): <ul style="list-style-type: none"> • Contract for Loan • Insurance Form/Contract • COBRA Forms • Providing a service/good to customer 		Key Sub-Process Participants: <ul style="list-style-type: none"> • Agencies • Division of Accounts • Customers 	
Inputs:			
Input	Format	Volume/Time	Suppliers
New Customer Record	Manual		Agencies
Outputs:			
Output	Format	Volume/Time	Recipients
New customer record	Electronic		Agencies
Performance Measures Tracked:			
Measure	Current Value	Target Value	
Customer record keyed within 3 days of request			

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	Change Required (Yes/No)?
Key Assumptions: <ul style="list-style-type: none"> Billing and collection of AR will be centralized in the Division of Accounts 	
Improvements: <ul style="list-style-type: none"> Centralization of Accounts Receivable billings Centralization of the collection of checks on AR Separate customer database to better distinguish between customers and vendors 	
Change Management Concerns: <ul style="list-style-type: none"> Agencies recording receivable 	Communication Actions: <ul style="list-style-type: none"> Train agency staff to create a receivable
Eliminated Non-Core Systems: <ul style="list-style-type: none"> Unknown 	



Process: Accounts Receivable/Revenue
Sub-Process: AR-02-2 Create Receivable - Loans
Prepared By: Project Edison – State of Tennessee

File: To Be AR-02-2 Create Rec - Loans
Date: 10/21/05
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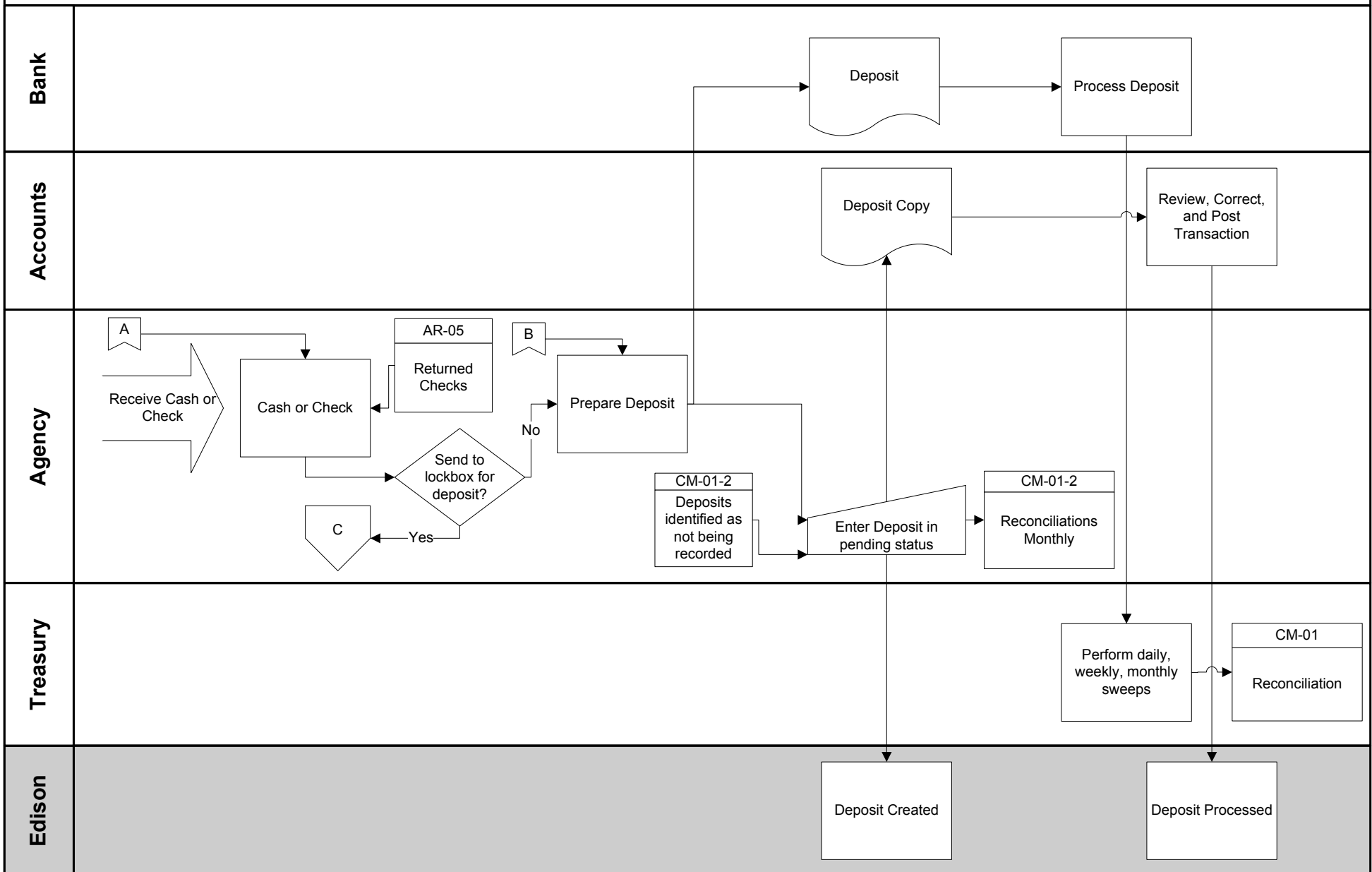


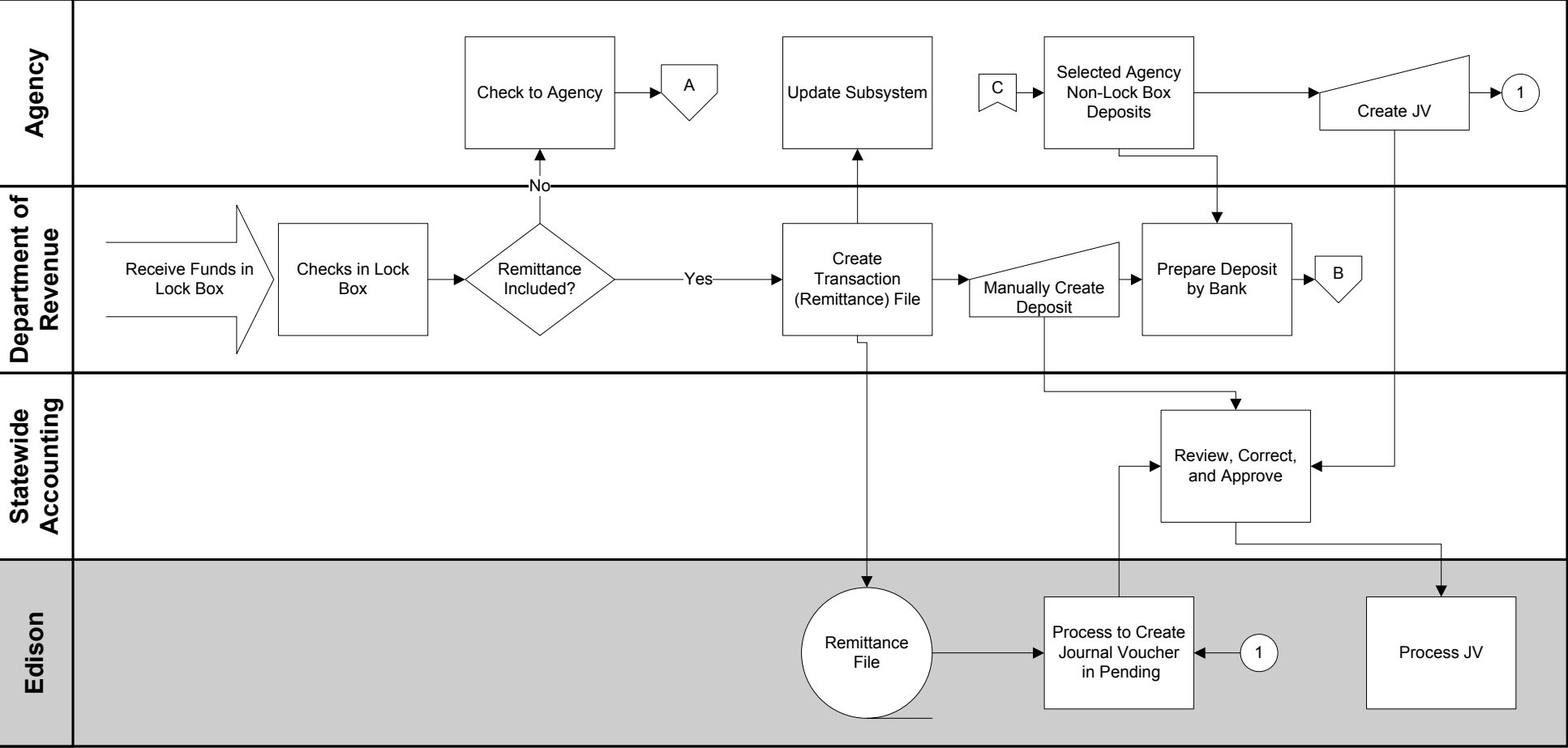
Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Create Receivable		Sub-Process Identifier: AR-02	
Sub-Process Purpose and Objectives: Create detail receivable records for various types of miscellaneous receivables including loans, insurance payments, and payroll overpayments.			
Sub-Process Description: The State will create and track various types of receivables in the ERP system. Responsibility for initiating these receivables varies based upon the receivable type. Agencies initiate loan receivables and receivables for services. Payroll initiates receivable associated with payroll overpayments, and the Insurance Administration initiates all insurance receivables. The loan receivables are generally created when a customer incurs a charge on a loan project. These loans are typically for utilities, various local government projects and qualifying private business projects. The customer presents invoices and a proper payment request to the loaning agency. The agency then reviews the invoice and documents to determine if it meets the terms of the original agreement. If there is a problem with the invoice or payment request, the agency issues a notice of non-compliance to the customer. If the charge meets the agreement terms, the agency creates a payment request in Edison, which will be processed in the payment process. Accounts also reviews the payment request and generates a warrant (in the payment process) for payment, which creates the receivable within Edison. Receivables are also generated when a state agency provides services to vendor, such as for telephone service or sells merchandise.			
Sub-Process Trigger(s): <ul style="list-style-type: none"> Contract for Loan Insurance coverage without payment Fraudulent Insurance claims Sale of merchandise 		Key Sub-Process Participants: <ul style="list-style-type: none"> Agencies Insurance Administration 	
Inputs:			
Input	Format	Volume/Time	Suppliers
Insurance receivables	Electronic	1,000 per month	Insurance Administration
Service provided			Agencies
Loan made			Agencies

Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Create Receivable		Sub-Process Identifier: AR-02	
Outputs:			
Output	Format	Volume/Time	Recipients
Accounts or Loan Receivable	Electronic		Agencies
Performance Measures Tracked:			
Measure		Current Value	Target Value
Law, Policy, or Statute Site That Govern Sub-Process:			
Law, Policy, or Statute			Change Required (Yes/No)?
Key Assumptions:			
<ul style="list-style-type: none"> Processing the receipting of Accounts Receivable should be centralized. 			
Improvements:			
<ul style="list-style-type: none"> Accounts Receivable not tracked in the current system. Improved collections thru dunning notices and application of late penalties Increased revenues due to application of late penalties and interest Accounts Receivable records established as goods shipped or expenditures incurred 			
Change Management Concerns:		Communication Actions:	
<ul style="list-style-type: none"> Agencies perceived lack of control 		<ul style="list-style-type: none"> Communicate revised process to the staff impacted 	
Eliminated Non-Core Systems:			
<ul style="list-style-type: none"> 			

Process: Accounts Receivable/Revenue
Sub-Process: AR-03-1 Deposits - Cash or Check Deposit
Prepared By: Project Edison – State of Tennessee

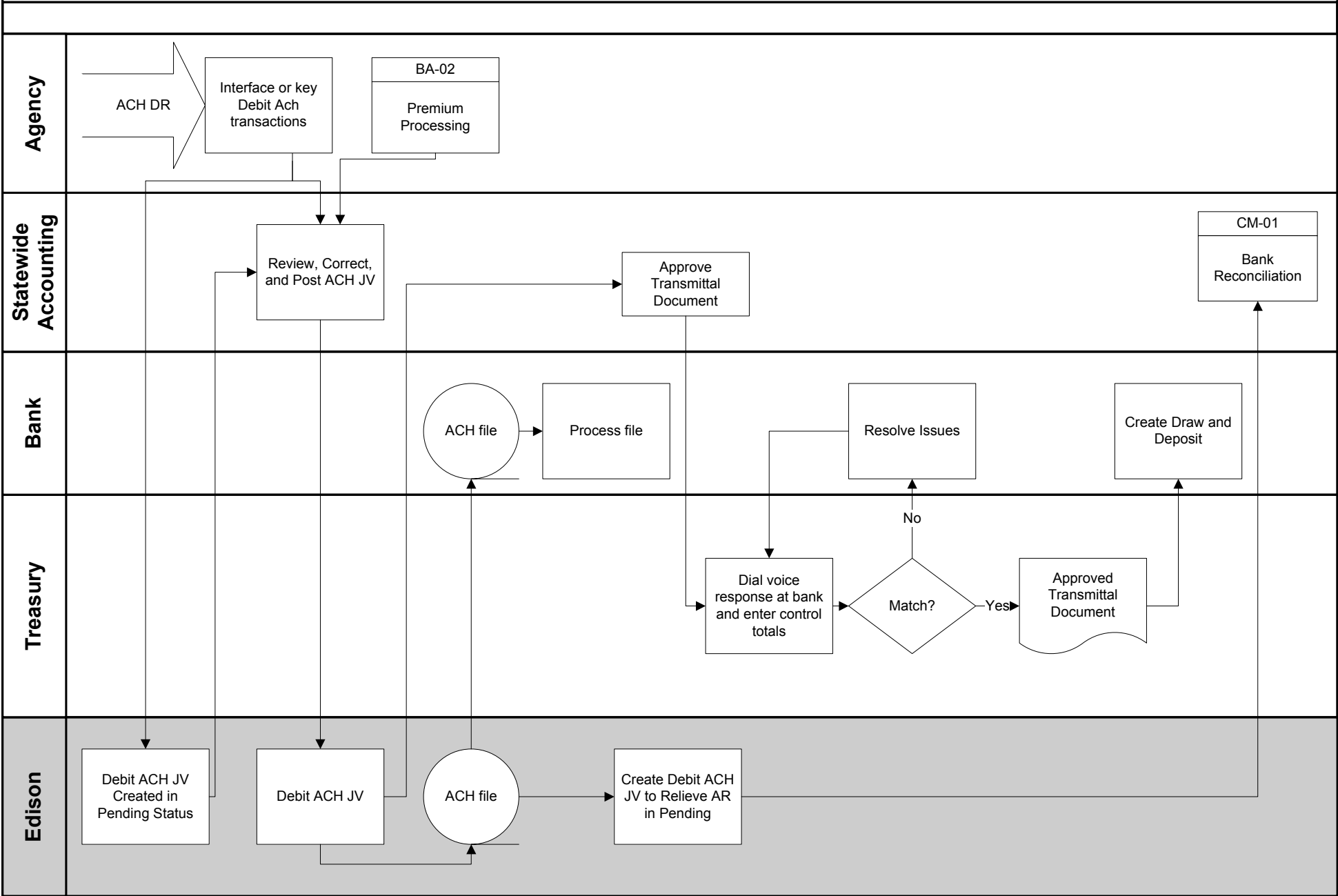
File: To Be AR-03-1 Deposit - Cash Checks
Date: 10/21/05
Page: 1/1

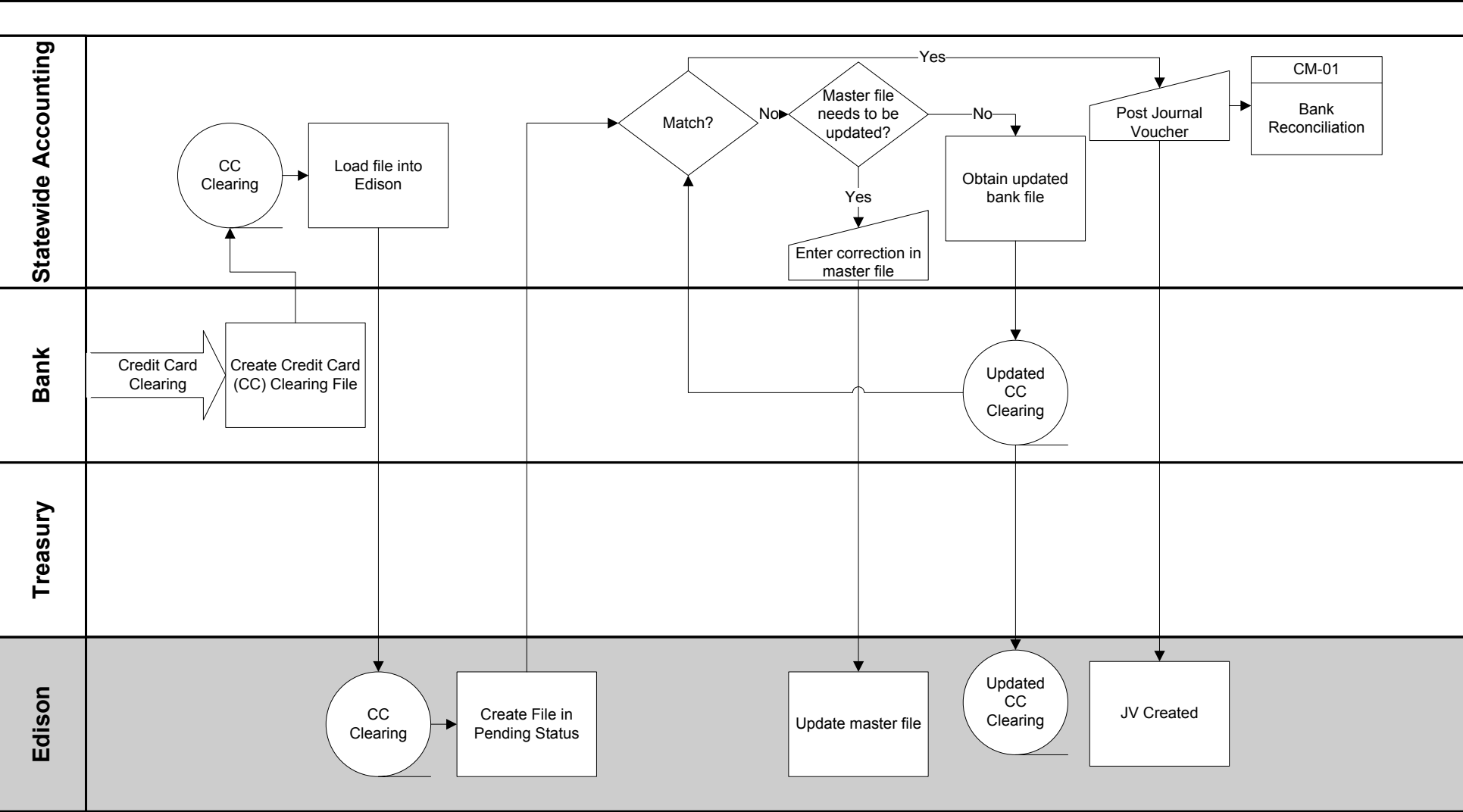


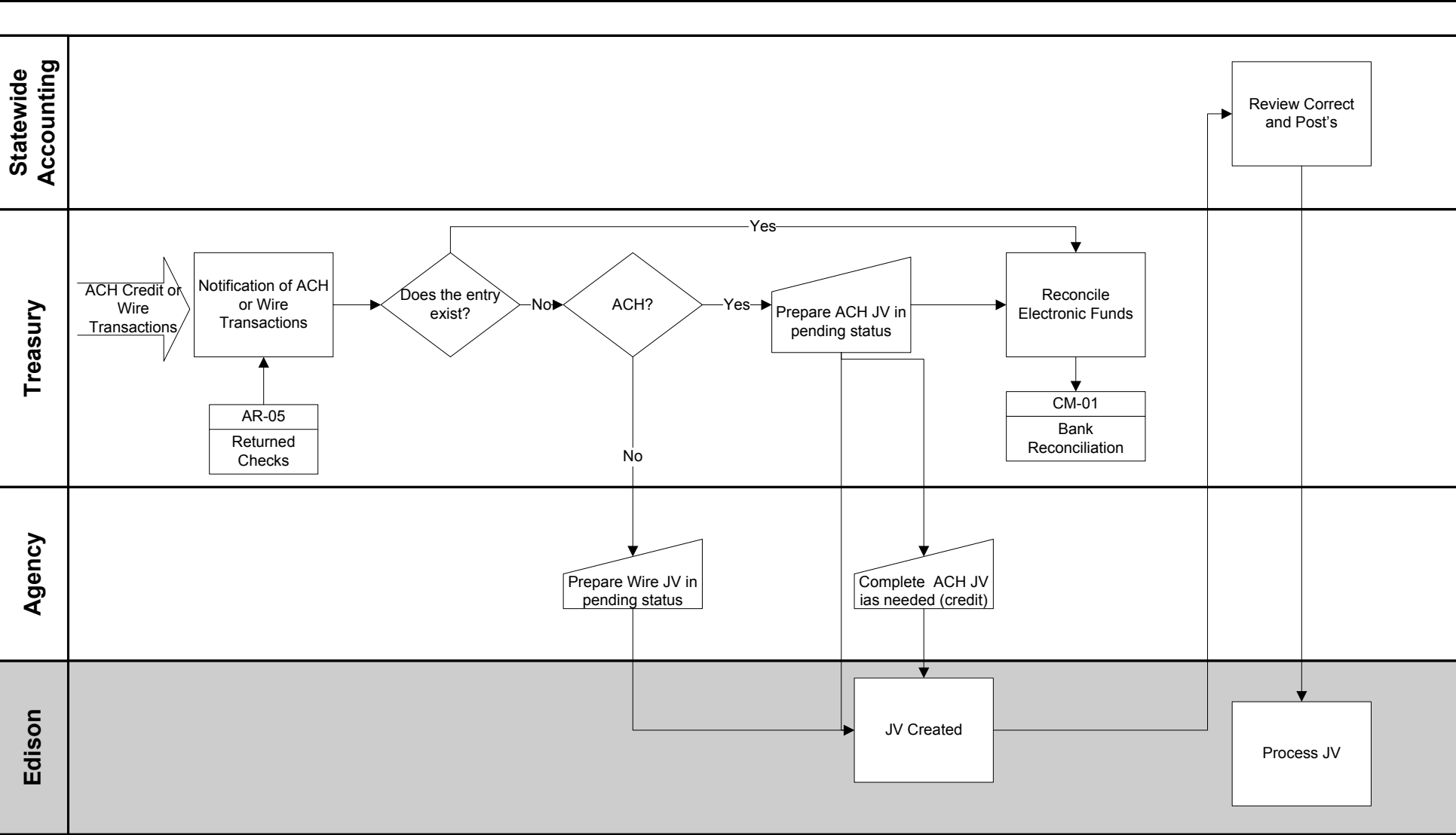


Process: Accounts Receivable/Revenue
Sub-Process: AR-03-3 Deposits - ACH Debit Transactions
Prepared By: Project Edison – State of Tennessee

File: To Be AR-03-3 Deposit ACH Debit
Date: 10/21/05
Page: 1/1

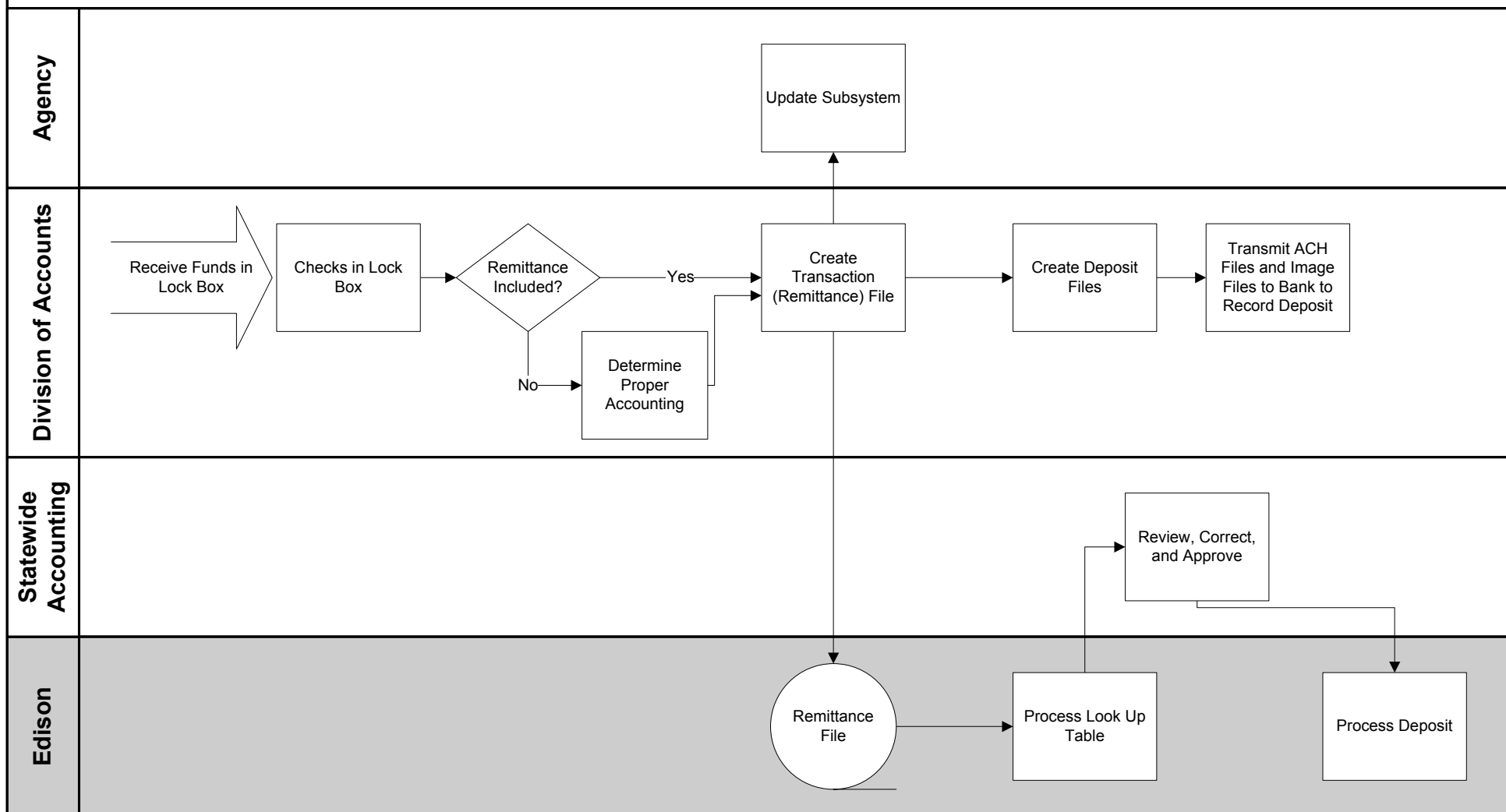






Process: Accounts Receivable/Revenue
Sub-Process: AR-03-6 Deposits – Accounts Lock Box Deposit
Prepared By: Project Edison – State of Tennessee

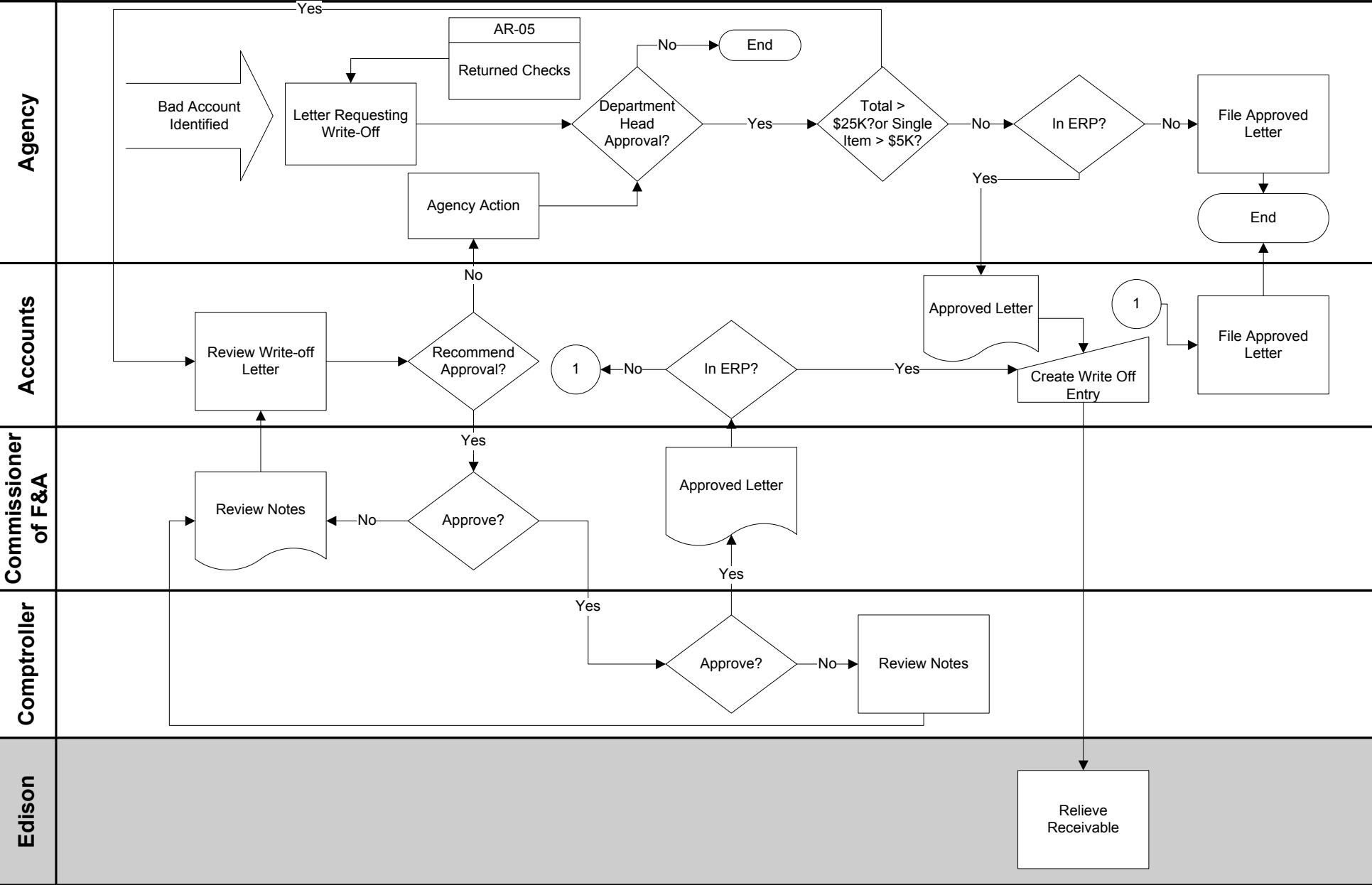
File: To Be AR-03-6 Deposit- Accounts Lock Box
Date: 10/21/05
Page: 1/1



Process Name: Accounts Receivable	Process Identifier: AR
Sub-Process Name: Deposits	Sub-Process Identifier: AR-03
Sub-Process Purpose and Objectives: To receive funds through ACH (debit and credit), wire transfers, checks, cash, and credit cards. Also to recognize the revenue for these fund transactions.	
Sub-Process Description: The State will use Edison to record deposit and revenue transactions. The responsibility for accepting and recording cash and other types of deposits will be spread among multiple entities. The responsibility for recording of direct cash or checks, as well as initiating ACH debit transactions, will be primarily that of the various agencies. Lock box transactions flow through the Department of Revenue. ACH and Wire transactions will be settled within the Treasury department. Cash or checks will be received directly by agencies or forwarded to agencies from the Department of Revenue for lock box transactions with no remittance information. The agency will prepare a deposit slip, enter the information in pending status into Edison, and deposit the funds into the proper bank. A bank validated deposit slip will be sent to Statewide Accounting (Accounts) for review. Accounts will review the deposit, make any necessary corrections, and post the deposit in Edison. Checks will also be received in a lock box at the Department of Revenue (Revenue). If a proper remittance advice is included with the payment, then Revenue will create a remittance file and a journal entry in pending status. Revenue will then prepare a deposit by bank and deposit the funds into the bank. Accounts will review the deposit and journal entry, make necessary corrections, and posts the entry in Edison. Additionally, selected agencies will deposit funds with the Department of Revenue's lock box deposit. Those agencies will create a separate journal entry that will be reviewed, corrected and posted by Accounts. The respective bank will create a credit card clearing file daily. The bank forwards this file to Accounts, which will upload the file into Edison and create a journal entry to record the proper revenue. Treasury will later use these transactions to reconcile Electronic Funds. A journal entry will be created by Treasury as a part of the daily cash management reconciliation and reviewed and processed by Accounts based on information from the electronic funds reconciliation. This entry will update the appropriate bank balances in the bank file for the cash transactions. Agencies will initiate necessary ACH debit transactions by creating a journal entry which will be reviewed, corrected, and posted by Accounts... Treasury receives a transmittal document which has been approved by Accounts and then sends it to the bank to create a draw on the proper account. The funds then proceed through the ACH credit transaction process as described below. The transactions will be sent to Treasury for the reconciliation of Electronic Funds. Treasury is notified when wire or ACH credit funds are received. An entry will be is created by Treasury as a part of the daily cash management reconciliation. The entry is reviewed and processed by Accounts based on information from the electronic funds reconciliation to use to update the appropriate bank balances in the bank file.	

Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Deposits		Sub-Process Identifier: AR-03	
Sub-Process Trigger(s): <ul style="list-style-type: none"> • Receive Cash or Checks • Receive ACH(CR) or Wire • Request ACH(DR) • Receive Credit Card Transactions 		Key Sub-Process Participants: <ul style="list-style-type: none"> • Treasury • Department of Revenue • Banks • Accounts 	
Inputs:			
Input	Format	Volume/Time	Suppliers
Checks/Cash	Manual	295,000 transactions/Year	Customers
ACH/Wire	Electronic	164,000 transactions/Year	Customers
Outputs:			
Output	Format	Volume/Time	Recipients
			Agencies
Performance Measures Tracked:			
Measure	Current Value	Target Value	
Timely deposits		Accumulated funds: >\$500 within 24 hours \$100-500 within 5 work days <\$100 within 30 calendar days	
Law, Policy, or Statute Site That Govern Sub-Process:			
Law, Policy, or Statute			Change Required (Yes/No)?

Process Name: Accounts Receivable	Process Identifier: AR
Sub-Process Name: Deposits	Sub-Process Identifier: AR-03
Key Assumptions: <ul style="list-style-type: none">Processing the receipting of Accounts Receivable should be centralized.	
Improvements: <ul style="list-style-type: none">Accounts Receivable are not tracked in the current system.	
Change Management Concerns: <ul style="list-style-type: none">Agencies perceived lack of control	Communication Actions: <ul style="list-style-type: none">
Eliminated Non-Core Systems: <ul style="list-style-type: none">	



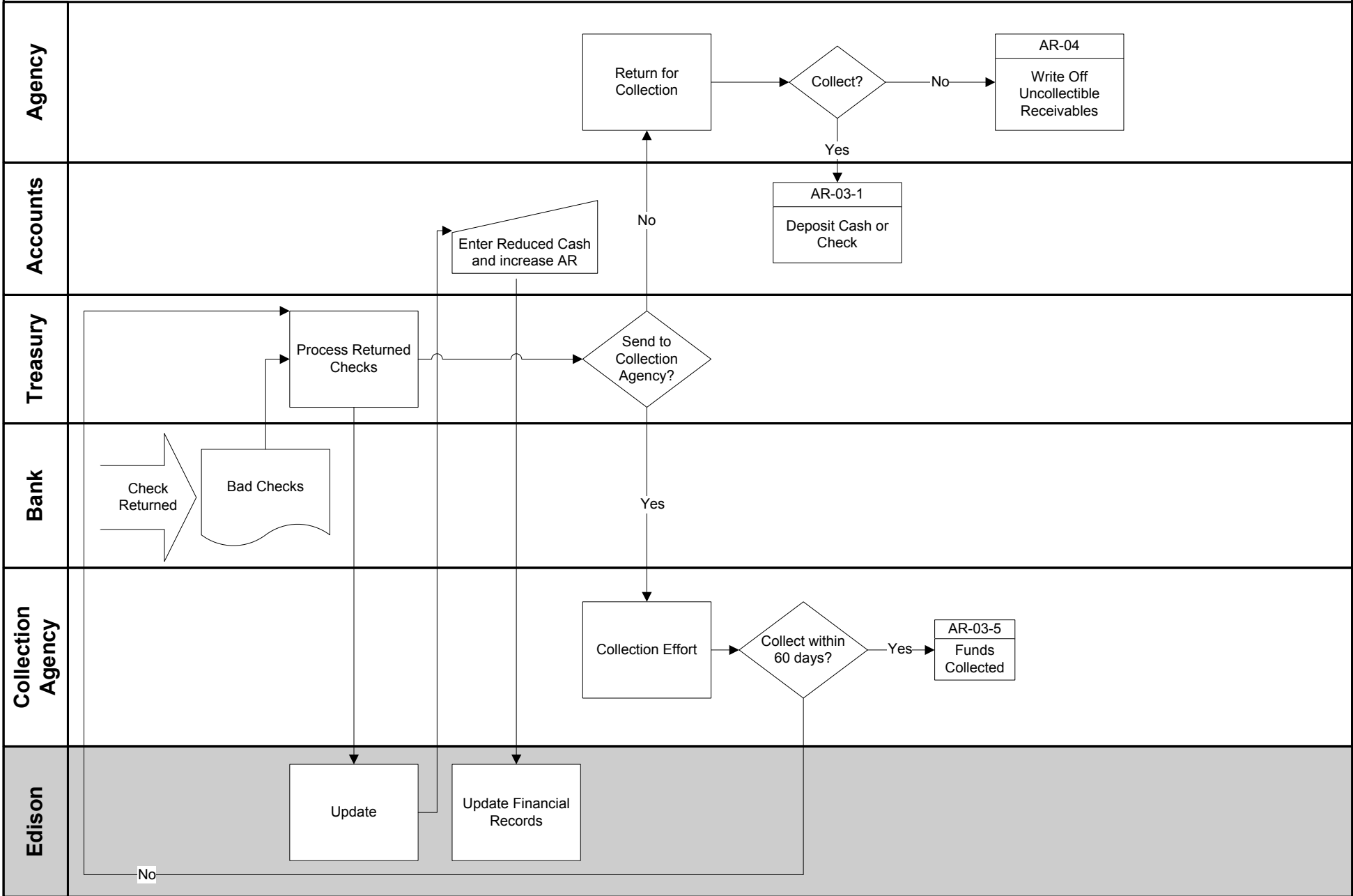
Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Write Off Receivable		Sub-Process Identifier: AR-04	
Sub-Process Purpose and Objectives: To write-off uncollectible receivables.			
<p>Sub-Process Description: The receivables are to be removed from Edison once they have gone through the steps necessary to write-off the receivable.</p> <p>The Agencies are primarily responsible for identifying bad accounts. The person in charge of receivables drafts a letter requesting a write-off of a bad account. This letter is forwarded to the department head for approval. If the department head approves the write-off, the agency has the authority to write off bad accounts that total less than \$25,000 with no single items greater than \$5,000. If the receivable has been recorded in Edison, the agency forwards the information to Accounts to prepare the write-off entry. If the bad account write-off is greater than \$25,000 or a single item is greater than \$5,000, it then is forwarded to Accounts for review. If Accounts recommends approval, then it is forwarded to the Commissioner of F&A for approval; otherwise, it is returned to the agency for further clarification and processing. If the Commissioner of F&A approves the write-off, it is then forwarded to the Comptroller for approval; otherwise, it is returned to Accounts for further review and clarification. If the Comptroller approves the recommendation of write-off and the item is in Project Edison, an approval letter is forwarded to the Commissioner of F&A, who then forwards the information to Accounts to create the write-off entry. If the account to be written off is not in Edison, the review notes and approval letter are sent to the agency for any further processing, or to be filed. If the Comptroller does not approve the write-off, it is returned to the Commissioner of F & A for further analysis.</p>			
Sub-Process Trigger(s): <ul style="list-style-type: none"> Agency Letter Requesting Write Off 		Key Sub-Process Participants: <ul style="list-style-type: none"> Agencies Comptroller Commission of F & A Statewide Accounting 	
Inputs:			
Input	Format	Volume/Time	Suppliers
Agency Letter	Paper	Less than 100 per year	Agency
Outputs:			
Output	Format	Volume/Time	Recipients
Approved Write-off	Paper	Les than 100 per year	Agencies
Performance Measures Tracked:			

Process Name: Accounts Receivable	Process Identifier: AR	
Sub-Process Name: Write Off Receivable	Sub-Process Identifier: AR-04	
Measure	Current Value	Target Value
Write-off recorded within 30 days		

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	Change Required (Yes/No)?
Key Assumptions: <ul style="list-style-type: none"> Considerable collection activity must take place before consideration will be given to write-off. 	
Improvements:	
Change Management Concerns: <ul style="list-style-type: none"> None 	Communication Actions: <ul style="list-style-type: none">
Eliminated Non-Core Systems: <ul style="list-style-type: none"> Unknown 	

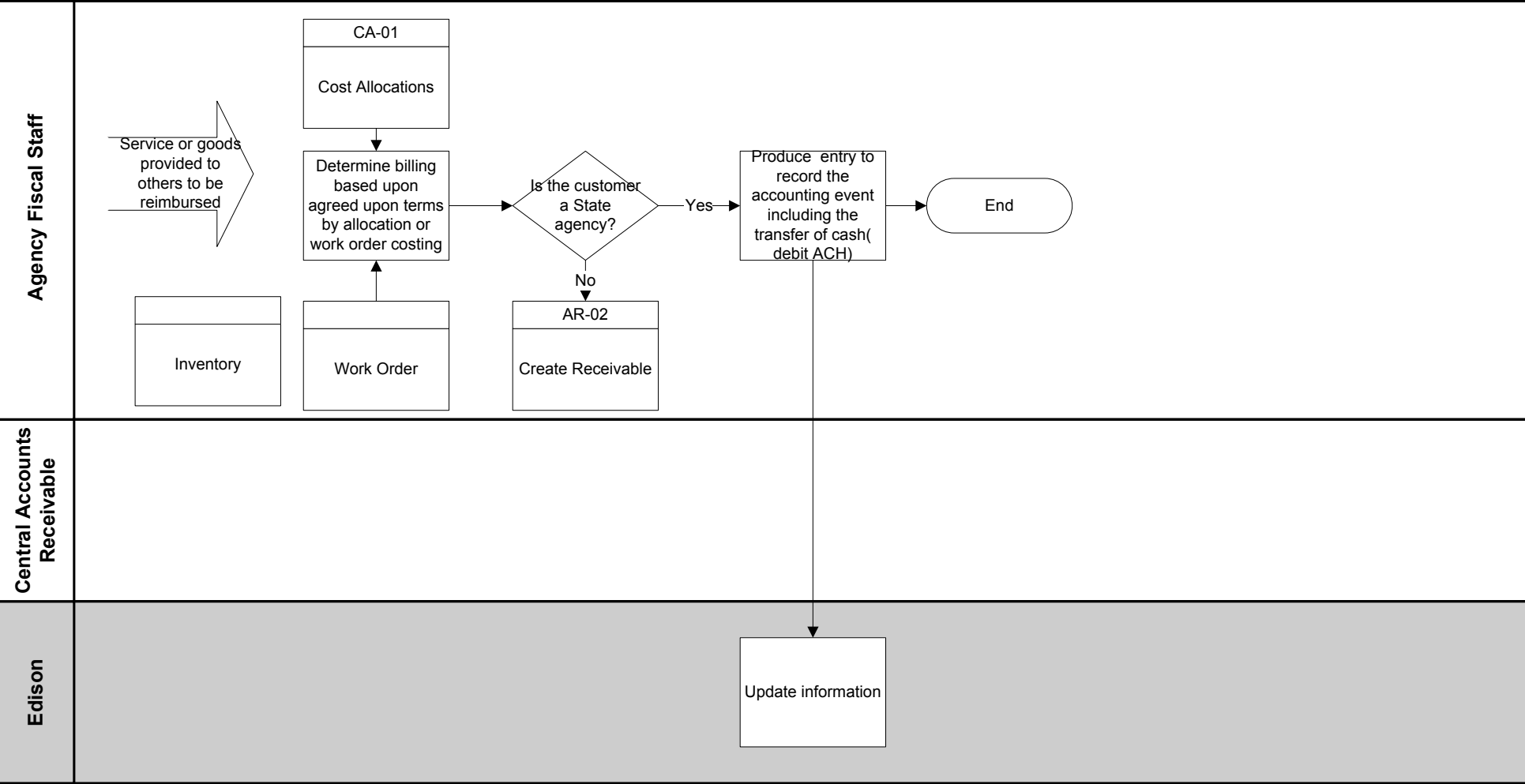
Process:	Accounts Receivable/Revenue	File:	To Be AR 05- Return Checks
Sub-Process:	AR-05 Returned Checks	Date:	10/21/05
Prepared By:	Edison Project - State of Tennessee	Page:	1/1

File: To Be AR 05- Return Checks
Date: 10/21/05
Page: 1/1



Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Returned Checks		Sub-Process Identifier: AR-05	
Sub-Process Purpose and Objectives: To collect for returned checks.			
Sub-Process Description: The State will use ERP (and manual processes) to track and collect returned checks. The Bank sends checks returned due to insufficient funds or closed accounts to Treasury. Treasury records the necessary receivable for these transactions. The journal voucher is then reviewed, and corrected, if necessary. The entry is then posted by Accounts. Treasury makes a determination as to whether the check is eligible to be sent to a collection agency. If so, the check is forwarded to the appropriate collection agency. If the collection agency collects the funds, the funds are sent through the ACH deposit process. If the funds are not collected within an appropriate time, or if they were not eligible to be sent to a collection agency, then the check is returned to the originating agency for collection efforts. If the funds are collected by the agency, they are deposited along with the cash or check deposit process. If these checks are not collected, they are sent through the write-off process.			
Sub-Process Trigger(s): <ul style="list-style-type: none"> Returned check 		Key Sub-Process Participants: <ul style="list-style-type: none"> Agency Treasury Statewide Accounting Bank Collection Agency 	
Inputs:			
Input	Format	Volume/Time	Suppliers
Returned check	Manual	4,300 per year	Bank
Outputs:			
Output	Format	Volume/Time	Recipients
Approved Write-off	Paper		
Performance Measures Tracked:			
Measure	Current Value	Target Value	
Write-off recorded within 30 days			

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	Change Required (Yes/No)?
Key Assumptions: <ul style="list-style-type: none">Considerable collection activity must take place before consideration will be given to write-off.	
Improvements:	
Change Management Concerns: <ul style="list-style-type: none">	Communication Actions: <ul style="list-style-type: none">
Eliminated Non-Core Systems: <ul style="list-style-type: none">RIPS	



Process Name: Accounts Receivable		Process Identifier: AR	
Sub-Process Name: Work Order Billings		Sub-Process Identifier: AR-06	
Sub-Process Purpose and Objectives: To record billings between agencies for services and materials.			
Sub-Process Description: The billings between agencies will be generated from several areas. These areas are: work orders, fleet management, cost allocations and inventory. Debit ACH will be established as the payment method for the customer and the cash transfer will be generated within the Treasury.			
Sub-Process Trigger(s): <ul style="list-style-type: none"> • Service provided by one agency to be reimbursed by another agency • Materials used from warehouse to be reimbursed by receiving agency 		Key Sub-Process Participants: <ul style="list-style-type: none"> • Agencies • Comptroller • Commission of F & A • Statewide Accounting • Treasury 	
Inputs:			
Input	Format	Volume/Time	Suppliers
Complete work order	Document within ERP		Agencies
Fleet vehicle usage	Document within ERP		Agencies
Inventory issued between organizational units	Document within ERP		Agencies
Outputs:			
Output	Format	Volume/Time	Recipients
Billing	Paper		Agencies
Cash moved between customers to relieve amount owed			Agencies
Performance Measures Tracked:			
Measure	Current Value	Target Value	
Billing sent at due date			

Process Name: Accounts Receivable	Process Identifier: AR	
Sub-Process Name: Work Order Billings	Sub-Process Identifier: AR-06	
Amounts due paid within 15 days		15 days
Interdepartmental cash entries done by month end		Last working day of the month

Law, Policy, or Statute Site That Govern Sub-Process:	
Law, Policy, or Statute	Change Required (Yes/No)?
Key Assumptions: <ul style="list-style-type: none"> Agencies will complete interdepartmental services and material in Edison Cost allocations may be used to calculate and distribute agency organizational costs Entries will create revenue and expenditure entries when appropriate 	
Improvements: <ul style="list-style-type: none"> Billings can be centralized Cash collections can be centralized 	
Change Management Concerns: <ul style="list-style-type: none"> Agencies perceived lack of control. 	Communication Actions: <ul style="list-style-type: none"> Ensure adequate reports or on line information is available to allow agencies to track status of billings and collections
Eliminated Non-Core Systems: <ul style="list-style-type: none"> Stand alone billing systems 	